

Message Text

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ACTION EUR-25

INFO OCT-01 ADP-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

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INFO AMEMBASSY BONN

AMCONSUL BREMEN

AMCONSUL FRANKFURT

AMCONSUL DUESSELDORF

AMCONSUL HAMBURG

AMCONSUL MUNICH

AMCONSUL STUTTGART

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EO 11652: N/A

TAGS: US, WB, GW, PLAB

SUBJECT: PROPOSALS ON ASSET FORMATION FOR GERMAN WORKERS

REFERENCE: STATE 158912

1. BERLIN DGB OFFICIALS CONFIRM THAT A VARIETY OF ASSETS FORMATION SCHEMES ARE UNDER DISCUSSION IN MANY CIRCLES, INCLUDING UNIONS, CHURCHES AND CITIZENS INTEREST GROUPS. SUPPORT FOR THE CONCEPT IS GROWING BUT NO CONSENSUS HAS YET FORMED. OUR SOURCES STATED THAT NO LEGISLATIVE PROPOSAL WOULD BE MADE TO CURRENT BUNDESTAG AND THAT ACCEPTANCE AND IMPLEMENTATION OF ANY ASSETS FORMATION PLAN WOULD TAKE AT LEAST TEN YEARS.

2. THE NATIONAL DGB HAS CONTEMPLATED ASSETS FORMATION FOR WORKERS FOR SEVERAL YEARS. IN GENERAL TERMS, MAJOR PROVISIONS OF SCHEME PRESENTLY UNDER DISCUSSION IN EXECUTIVE COMMITTEE ARE AS FOLLOWS: FIRMS WHOSE TAXABLE PROFITS EXCEED A CERTAIN AMOUNT OF MONEY WOULD

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BE REQUIRED TO TRANSFER BETWEEN 4 AND 15 PERCENT OF THEIR PROFITS

IN FORM OF SHARES TO A WORKERS' FUND WHICH WOULD BE ESTABLISHED AS A CORPORATION UNDER PUBLIC LAW AND ADMINISTERED REGIONALLY BY WORKERS' REPRESENTATIVES. FUND ADMINISTRATION WOULD DISTRIBUTE CERTIFICATES OF EQUAL VALUE TO ALL WORKING PEOPLE WHOSE INCOMES DID NOT EXCEED A CERTAIN LIMIT. INDIVIDUAL OWNERS WOULD NOT BE PERMITTED TO SELL THEIR CERTIFICATES BUT WOULD DRAW INTEREST FROM THE FUND'S GAINS. THE FUND'S

PROFITS WOULD ALSO BE USED TO FINANCE COMMUNITY PROJECTS SUCH AS DAY-CARE CENTERS FOR CHILDREN OF WORKING MOTHERS.

3. ACCORDING TO ONE DGB OFFICIAL, THERE IS NO AGREEMENT ON DETAILS OF THE PLAN EITHER AMONG DGB OFFICIALS OR AFFILIATED UNIONS. SOME WANT THE ASSETS TO REMAIN IN THE FUNDS FOREVER, OTHERS WOULD PREFER THAT OWNERS BE ALLOWED TO SELL THEM ON OPEN MARKET AFTER A PERIOD OF TEN YEARS, AND MANY FEEL THAT THE PLAN WOULD NOT BE POPULAR WITH UNIONMEMBERSHIP BECAUSE IT LACKS MAJOR ADVANTAGE FOR INDIVIDUAL WORKERS. (METAL WORKERS UNION, STRONGEST OPPONENT OF ASSETS FORMATION SCHEMES, FAVORS OUTRIGHT NATIONALIZATION OF INDUSTRY, AND ON THIS POINT IS IN CONFLICT WITH DGB SUPPORT OF MARKET ECONOMY.) DGB NATIONAL EXECUTIVE COMMITTEE EXPECTS, HOWEVER, TO SUBMIT A DETAILED PLAN TO THE 10TH REGULAR NATIONAL DGB CONVENTION IN 1975.
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